

## Message Text

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PAGE 01 TEL AV 05153 01 OF 02 141339Z  
ACTION NEA-10

INFO OCT-01 ISO-00 NEAE-00 IO-13 EUR-12 CIAE-00  
DODE-00 NSAE-00 NSCE-00 SSO-00 USIE-00 INRE-00  
PM-04 H-01 INR-07 L-03 NSC-05 PA-01 PRS-01 SP-02  
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FM AMEMBASSY TEL AVIV  
TO SECSTATE WASHDC IMMEDIATE 7228  
INFO AMCONSUL JERUSALEM

C O N F I D E N T I A L SECTION 1 OF 2 TEL AVIV 5153

E.O. 11652: GDS  
TAGS: PINT, ELAB, IS  
SUBJECT: MESHEL COMMENTS ON BEGIN AND GOVERNMENT/HISTADRUT  
RELATIONS

SUMMARY: MESHEL TOLD AMBASSADOR THAT HE HOPED TO AVOID  
AN EARLY POLITICAL CONFRONTATION WITH THE GOVERNMENT.  
HOWEVER, HE WAS CONCERNED THAT THE HERUT WING OF THE LIKUD  
MIGHT TRY TO OUTBID THE HISTADRUT N MAKING RADICAL  
DEMANDS FOR WAGE INCREASES AND SOCIAL BENEFITS.THIS,  
IN TURN, COULD PUSH THE HISTADRUT INTO A COMPETITIVE ES-  
CALATION OF DEMANDS.ON THE MORE IMMEDIATE ECONOMIC ISSUES  
HE HOPED TO NEGOTIATE REASONABLE AGREEMENTS WITH EHRlich.  
BEGIN MIGHT FIND IT DIFFICULT TO BALANCE THE CONFLICTING  
CLAIMS BETWEEN THE LIBERAL AND HERUT WINGS OF HIS PARTY.  
COMMENTING ON BEGIN AS A NEGOTIATOR, MESHEL FELT THAT HE  
WOULD BE VERY ELOQUENT IN PRESENTING ISRAEL'S CASE ON  
HISTORICAL, LEGAL AND MORAL GROUNDS, BUT THAT HE DID NOT  
HAVE THE PATIENCE TO DEAL WITHOR WORK OUT THE  
TECHNICAL AND TACTICAL DETAILS OF NEGOTIATING PRO-  
CEDURES. THIS HAD BEEN MESHEL'S EXPERIENCE WHEN  
DEALING WITH HIM ON SOCIAL AND ECONOMIC POLICY ISSUES,  
EVEN THOSE OF CONSIDERABLE IMPORTANCE TO BEGIN'S OWN  
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PAGE 02 TEL AV 05153 01 OF 02 141339Z

HERUT. ALTHOUGH BEGIN MIGHT ACCEPT SOME NEW PARTIAL  
AGREEMENT, HE PERSONALLY WAS NOT LIKELY TO YIELD THE  
WEST BANK EVEN IN RETURN FOR A FULL PEACE AS OUTLINED BY  
PRESIDENT CARTER.SHOULD A CREDIBLE ARAB PEACE OFFER  
BE FORTHCOMING, THE GOVERNMENT WOULD HAVE TO SUBMIT  
THE ISSUE TO THE ELECTORATE. IN SUCH A CASE MESHEL  
FORESAW THE POSSIBILITY OF A CHANGE OF GOVERNMENT.

END SUMMARY

1. AMBASSADOR CALLED ON HISTADRUT SECRETARY GENERAL YEURHAM MESHEL JULY 13. MESHEL, IN AN EVIDENTLY EXPANSIVE MOOD, COMMENTED ON THE ALIGNMENT VICTORY IN THE HISTADRUT ELECTION WHICH HE WAS NOT LOATHED TO ATTRIBUTE TO HIS OWN INTENSIVE PERSONAL EFFORTS TO MEET AND COMMUNICATE DIRECTLY WITH THE WORKERS AT THE ENTERPRISE LEVEL. NOTWITHSTANDING THE ADVICE GIVEN BY SOME LABOR PARTY LEADERS THAT THE PARTY SHOULD PRESENT NEW CANDIDATES FOR THE HISTADRUT LEADERSHIP, HE FELT HIS HAVING REMAINED THE CANDIDATE FOR THE SECRETARY GENERALSHIP AND HAVING CAMPAIGNED ON THE BASIS OF CONTINUITY OF POLICY HAD HELPED TO WIN THE ALIGNMENT'S VICTORY. ANOTHER IMPORTANT CONTRIBUTORY FACTOR TO THAT VICTORY HAD BEEN THE LIKUD'S CONTRADICTORY AND POORLY CONCEIVED CALLS FOR SOCIAL AND ECONOMIC REFORMS, EMANATING FROM THE HERUT AND LIBERAL PARTY FACTIONS. HE MENTIONED ESPECIALLY THAT THE THREATS OF REDUCING EMPLOYMENT AND OF USING MILTON FRIEDMAN AS A GOVERNMENT ADVISER HAD FRIGHTENED MANY WORKERS WHO OTHERWISE MIGHT HAVE VOTED FOR THE LIKUD. IN HIS ESTIMATION SOME 180,000 HISTADRUT MEMBERS HAD CHANGED THEIR VOTES BETWEEN THE KNESSET AND THE HISTADRUT ELECTION. HE THUS FELT JUSTIFIED IN TAKING THE ALIGNMENT VICTORY IN THE HISTADRUT AS  
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PAGE 03 TEL AV 05153 01 OF 02 141339Z

A PERSONAL VINDICATION OF HIS LEADERSHIP. HE ALSO PRAISED THE ARAB MEMBERS WHICH HAD SOLIDLY VOTED FOR LABOR AND THUS HAD SIGNIFICANTLY CONTRIBUTED TO ITS MARGIN OF VICTORY. IN RECOGNITION OF THIS FACT AN ARAB MEMBER WOULD BE GIVEN FOR THE FIRST TIME A SEAT ON THE 22 MEMBER EXECUTIVE BUREAU. SIMILARLY ANOTHER ARAB WOULD BE DESIGNATED AS DIRECTOR OF THE NEWLY ESTABLISHED ARAB SECTOR ECONOMIC DEVELOPMENT FUND

2. TURNING TO HISTADRUT RELATIONS WITH THE GOVERNMENT, MESHEL ASSURED THE AMBASSADOR THAT HE WOULD TRY TO AVOID CONFRONTATIONS FOR POLITICAL REASONS AND WOULD WORK TOWARD NEGOTIATED SETTLEMENTS OF SOCIAL AND ECONOMIC ISSUES. IN THIS HE HAD THE FULL SUPPORT OF SHIMON PERES. HE HAD ALREADY COME TO AN AGREEMENT WITH FINANCE MINISTER EHRLICH TO MEET REGULARLY (SEE TEL AVIV 5076) AND HAD JUST SUBMITTED TO THE GOVERNMENT A SIX POINT PROGRAM ON TAX REFORMS FOR WORKERS, NIGHT SHIFT DIFFERENTIALS, AND CHILDREN'S ALLOWANCES. WITH THE NEW GOVERNMENT JUST HAVING EXTENDED THE INTERIM BUDGET DRAFTED BY THE PREVIOUS GOVERNMENT, HE HAD NO REASON TO CHALLENGE IT. HOWEVER, HE WAS CONCERNED THAT THE HERUT WING OF THE

LIKUD WOULD TRY TO OUTFLANK THE HISTADRUT BY MAKING MORE DRASTIC DEMANDS FOR WAGES AND SOCIAL BENEFITS THAT THE HISTADRUT WOULD PROPOSE. THE PAST RECORD OF THE HERUT, WHICH REMAINS BEGIN'S POLITICAL BASE, HAD BEEN ONE OF BEING MORE RADICAL AND DEMAGOGIC IN ITS SOCIO-ECONOMIC DEMANDS FOR THE WORKERS THAN EVEN THE RAKAH COMMUNISTS. HE SAW A RENEWAL OF THIS APPROACH IN THE WAY DEPUTY MINISTER YORAM ARIDOR, IN CHARGE OF LABOR AND SOCIAL AFFAIRS ON AN INTERIM BASIS AND FORMERLY LIKUD'S CHIEF SPOKESMAN IN THE HISTADRUT, HAD HANDLED THE CURRENT SEAMEN'S STRIKE ON THE ZIM LINER SS GOLD MOON AND AN EARLIER STRIKE OF EL AL MAINTENANCE CREWS. IN BOTH CASES HE HAD ESSENTIALLY ACCEPTED THE TERMS OF THE STRIKING WORKERS AFTER THE HISTADRUT HAD SUS-  
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PAGE 04 TEL AV 05153 01 OF 02 141339Z

PENDE NEGOTIATIONS AND THREATENED UNION LEADERS WITH EXPULSION FOR THEIR ALLEGED "ILLEGAL ACTIVITIES."

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PAGE 01 TEL AV 05153 02 OF 02 141354Z  
ACTION NEA-10

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DODE-00 NSAE-00 NSCE-00 SSO-00 USIE-00 INRE-00  
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INFO AMCONSUL JERUSALEM

C O N F I D E N T I A L SECTION 2 OF 2 TEL AVIV 5153

MESHEL ALSO SAW A RECENT LIKUD BID TO BE INVITED BY THE ALIGNMENT TO JOIN A COALITION IN THE HISTADRUT EXECUTIVE BUREAU AS BASICALLY DESIGNED TO OUTBID THE ALIGNMENT ON WAGE AND SOCIAL DEMANDS. HOWEVER, HE THOUGHT THAT THIS WOULD BE A DANGEROUS GAME FOR THE

GOVERNMENT TO PLAY, SINCE IT WOULD FORCE THE ALIGNMENT LEADERSHIP OF THE HISTADRUT TO ESCALATE AND RADICALIZE ITS OWN DEMANDS. SUCH A POLICY WAS BOUND TO CREATE SERIOUS STRAINS WITHIN THE GOVERNMENT COALITION, IN WHICH THE HERUT DID NOT EVEN HAVE A MAJORITY.

3. RESPONDING TO A QUESTION BY THE AMBASSADOR ABOUT PRIME MINISTER BEGIN'S ROLE IN DETERMINING ECONOMIC POLICY, MESHEL SAID THAT HE HAD DISCUSSED WITH HIM ECONOMIC QUESTIONS ON MANY OCCASIONS. IDEOLOGICALLY BEGIN WAS COMMITTED TO SUPPORT RADICAL DEMANDS FOR SOCIAL AND ECONOMIC JUSTICE FOR THE UNDERPRIVILEGED AND BY INSTINCT WOULD BE INCLINED TO CONTINUE AS IF HE WERE STILL IN OPPOSITION. POLITICAL AND ECONOMIC REALITIES WILL FORCE HIM TO MAKE COMPROMISES, BUT HE CAN BE EXPECTED TO SYMPATHIZE WITH THE DEMANDS OF THE HERUT WING AND NOT TO GIVE THE LIBERAL PARTY AUTOMATICALLY A FREE HAND  
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PAGE 02 TEL AV 05153 02 OF 02 141354Z

IN CASES OF CONFLICT.

4. COMMENTING ON BEGIN'S PERSONALITY, MESHEL SAID THAT HE CONSIDERED HIM A VERY DECENT, ELOQUENT, AND HONORABLE MAN WHO HAD BEEN VERY GENEROUS IN ACKNOWLEDGING MESHEL'S VICTORY IN THE HISTADRUT ELECTION. HOWEVER, HIS ELOQUENCE SOMETIMES TENDS TO CARRY HIM AWAY. HE IS NOT A MAN WHO COMPROMISES EASILY, AND HIS COMMITMENTS ARE DEEP AND STRONG. THIS HOLDS TRUE IN MATTERS OF RELIGION, SOCIO-ECONOMIC AND FOREIGN AFFAIRS, AS WELL AS JUSTICE FOR THE JEWISH PEOPLE.

5. MESHEL THOUGHT THAT IN HIS TALKS WITH PRESIDENT CARTER BEGIN WOULD SHOW HIMSELF WILLING TO COME TO TERMS WITH EGYPT AND SYRIA ON THE GOLAN HEIGHTS AND SINAI. HOWEVER, HE DID NOT THINK THAT THE PRIME MINISTER WOULD BE PERSONALLY WILLING TO SIGN AWAY THE WEST BANK, EVEN FOR PEACE. IF THE ARABS WERE TO OFFER ISRAEL A GENUINE PEACE ALONG THE LINES PROPOSED BY PRESIDENT CARTER, THE GOVERNMENT WOULD HAVE TO PLACE THE ISSUE BEFORE THE ELECTORATE, AND THIS, IN MESHEL'S OPINION, WOULD VERY LIKELY LEAD TO THE FORMATION OF A NEW GOVERNMENT, PROBABLY WITH LABOR RETURNING TO POWER.

6. SHOULD THE ARAB CONCESSIONS FALL SHORT OF REAL PEACE, AS HE ASSUMES THEY WOULD, HE SPECULATED THAT BEGIN AND DAYAN WOULD BE WILLING TO NEGOTIATE INTERIM AGREEMENTS ON THE BASIS OF TERRITORIAL CONCESSIONS WITH SYRIA AND EGYPT.

7. ON BEGIN AS NEGOTIATOR, ESHEL DESCRIBED HIM AS  
A MAN WHO WAS VERY GOOD IN MARSHALLING HISTORICAL AND  
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PAGE 03 TEL AV 05153 02 OF 02 141354Z

LEGAL AS WELL AS MORAL AND RELIGIOUS ARGUMENTS. HE  
DID NOT CONSIDER BEGIN A MAN WHO HAS THE PATIENCE  
FOR DEALING WITH THE COMPLEX TECHNICAL AND TACTICAL  
DETAILS OF AGREEMENTS TO BE NEGOTIATED. THESE HE  
WOULD PREFER TO LEAVE TO BE WORKED OUT BY OTHERS.  
THIS WAS THE WAY HE HAD DEALT WITH LABOR AND ECONOMIC  
ISSUES.

8. IN CONCLUDING, MESHEL EXPRESSED THE HOPE THAT ON  
BROAD ISSUES BEGIN AND CARTER WOULD BE ABLE TO ES-  
TABLISH A GOOD PERSONAL RAPPORT. HOWEVER, BEGIN WOULD  
PROBABLY PREFER TO LEAVE HARD CORE SPECIFICS TO DAYAN.  
AS ILLUSTRATIVE EXAMPLES OF HOW THE PRIME MINISTER  
OPERATES, HE POINTED TO BEGIN'S STATEMENTS ON ECONOMIC  
POLICY AT A DINNER GIVEN BY THE MANUFACTURERS' ASSOCIA-  
TION ON JUNE 29, PROPOSING A ONE TO TWO YEAR WAGE-PRICE  
FREEZE PLUS A WHOLE SERIES OF OTHER PATENTLY UNREALISTIC  
SOCIAL AND ECONOMIC MEASURES, WHICH MADE THE MANUFACTURERS  
AS WELL AS THE LIBERAL MEMBERS OF HIS OWN PARTY CRINGE.  
SIMILARLY, WHEN BEGIN RECENTLY TOLD MESHEL THAT HE  
WOULD SEE AFL-CIO PRESIDENT GEORGE MEANY ON HIS FORTH-  
COMING VISIT TO WASHINGTON, HE SAID THAT HE WOULD DISCUSS  
THE IMPORTANCE OF ISRAEL AS AN ANTI-COMMUNIST BULWARK  
IN THE MIDDLE EAST. ALTHOUGH MESHEL DID NOT WISH  
TO BELITTLE THE IMPORTANCE OF ISRAEL'S COMMITMENT  
TO ANI-COMMUNISM, GIVEN THE COUNTRY'S SMALLNESS  
AND THE LIMITATION OF ITS RESOURCES, HE DID NOT THINK  
THIS TO BE THE MOST IMPORTANT TOPIC TO RAISE. THIS  
ISSUE SHOULD BE LEFT TO THE BIG POWERS.

9. COMMENT: ALTHOUGH MESHEL CLAIMED TO KNOW BEGIN  
WELL, BY HIS OWN ADMISSION THEIR RELATIONS HAD BEEN  
PRINCIPALLY THOSE OF POLITICAL ADVERSARIES, IN WHICH  
BEGIN'S CONSIDERABLE ORATORICAL FACILITIES EASILY OUT-  
SHINED THOSE OF MESHEL. MESHEL IS EXTREMELY SENSITIVE  
TO BEING PUBLICLY UPSTAGED BY ANYONE. WHILE THERE  
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PAGE 04 TEL AV 05153 02 OF 02 141354Z

HAVE BEEN ENOUGH PUBLIC INDICATIONS THAT BEGIN OCCASIONALLY  
SHOOTS FROM THE HIP, BEING CARRIED AWAY BY HIS OWN  
IDEOLOGICAL RHETORIC, OTHERS HAVE REPORTED HIM TO BE

QUITE THOUGHTFUL AND THOROUGH, EVEN PEDANTIC, WHEN  
STUDYING QUESTIONS OF DEEP PERSONAL CONCERN TO HIM.  
LEWIS

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## Message Attributes

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